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# World Production and Trade

United States  
Department of  
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Foreign  
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Service

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Weekly  
Roundup

WR 38-85

Sept. 18, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

## GRAIN AND FEED

Some U.S. corn exports to the Far East could be displaced by the re-emergence of South Africa as a corn exporter and its efforts to regain its former markets in East Asia. Taiwan has already indicated it will take 200,000 of its estimated 3.2-million-ton corn requirements from South Africa. Drought conditions in South Africa in the past several years reduced corn production and turned this traditional corn exporter (3 million tons annually) into a temporary importer (2 million tons). Although a 1985 corn crop of 7.1 million tons is low by historical standards, it is substantially larger than the recent drought-affected crops, and has apparently produced some export availabilities.

\*\*\*\*\*

JAPAN's recent purchases of South African corn are likely to displace Chinese corn because of recent increases in Chinese freight rates and chronically delayed shipments. Japanese importers have reportedly bought 75,000-80,000 tons of South African corn for October/November shipment and may buy 250,000 tons by June 1986. Initially, at least, U.S. corn exports to Japan, which have averaged about 14 million tons annually, are not expected to be affected by this sale. Japan had been a steady buyer of South African corn before a two-year drought in South Africa curtailed corn exports in 1983/84 and 1984/85.

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TAIWAN's tapioca pellet imports may increase to 250,000 tons in 1985, compared with 50,000 tons in 1984 and zero in 1983. These imports of Thai tapioca may displace imports of U.S. corn. Artificially high corn prices and the imposition of a special import levy are placing U.S. corn at a price disadvantage. The price of corn in Taiwan is artificially high because of a Stabilization Fund Mechanism which sets the price feed mills must pay for corn, and a special import levy. Neither of these levies are applied to tapioca.

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## OILSEEDS AND PRODUCTS

The U.S. agricultural counselor in Paris has increased his estimates for FRANCE's imports and crush of peanuts in 1985 and 1986 based on recent statistics of the French Crushers' Association. The peanut import forecast for 1986 is now 110,000 tons, up from the previous USDA estimate of 90,000 tons, with about 80 percent coming from the United States. France continues to be the largest importer of U.S. oilstock peanuts. In the past five marketing years, French imports have averaged 64 percent of total U.S. oilstock peanut exports. During the August-July 1984/85 marketing period France imported 20,098 shelled tons, down 17 percent from last year.

## DAIRY, LIVESTOCK AND POULTRY

The KOREAN Dairy Industry Association has contracted with a Dutch firm to export 2,000 tons of whole milk powder at \$880 per ton c.i.f. basis for September shipment. This contract represents the first commercial sale of powdered milk by Korea, which until recently was a milk powder importer.

The Association has been seeking foreign buyers since early this year to help dispose of surplus powdered milk stocks. The exports are being subsidized below the \$4,000 per ton domestic price. This sale has little impact on U.S. trade, but the \$880 per ton price reflects weak world market prices for dairy products.

\*\*\*\*\*

Milk production in the SOVIET UNION is forecast at 99 million tons in 1985, 1 percent above 1984, according to the U.S. agricultural attache in Moscow. This year's growth is occurring despite a harsh winter in 1984/85, a late spring and a 1-percent decline in the cow herd. Continued improvement in the genetic capability of Soviet dairy cows and better supplies of winter forages are expected to result in further increases in milk production during 1986.

\*\*\*\*\*

TAIWAN's hog numbers expanded nearly 12 percent to 6.57 million head during 1984 because of favorable producer returns largely due to lower feed prices, according to the U.S. agricultural officer in Taipei. Despite lower hog prices during the first half of this year, hog numbers in 1985 are expected to increase 3 percent to 6.75 million head as producers maintain high inventories. Pork production in 1985 is estimated at 770,000 tons, up 5 percent from 1984. Pork production in 1986 is forecast to approximate the 1985 level. The government has taken measures to try to reverse declining hog prices by reducing or exempting slaughter taxes (currently \$13.50 per head) to encourage weaner (20-kilogram pig) slaughter.

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KOREAN hog numbers fell 19 percent during 1984 to 2.96 million head as smaller producers were forced out of production by high feed prices and low pork prices, according to the U.S. agricultural counselor in Seoul. Little expansion in hog numbers is expected in 1985 and 1986 because of increased competition from lower beef prices.

Pork production was up 15 percent during 1984 due in part to herd culling. Pork production is expected to be up only 2 percent in 1985 and rise 4 percent in 1986.

\*\*\*\*\*

CHINA's output of livestock and poultry products was up sharply during the first six months of 1985, according to the U.S. agricultural counselor in Beijing. Red meat production was reported at 7.65 million tons, 16 percent above January-June 1984. Output of pork, the major red meat, was 15 percent higher. During the first half of 1985, milk output reached 1 million tons, 33 percent above the comparable 1984 period. Poultry meat and egg production were reported to have increased over 40 percent.

The rapid production growth is due in part to the allocation of 20 million tons of grain for feeding purposes. Reportedly, half of the allocation went to the hog industry. Hog producer prices have improved due primarily to changes in government policy and increased consumer demand.

\*\*\*\*\*

In the SOVIET UNION, livestock production data for 1984 were revised upward from the preliminary figures issued last March, according to the 1984 statistical yearbook just released by the USSR Central Statistical Administration. The preliminary and revised data are as follows:

	Preliminary	Revised
Meat (million tons - slaughter weight)	16.7	17.0
Beef and veal	7.2	7.2
Pork	5.8	5.9
Mutton and goat	0.8	0.9
Poultry	2.6	2.8
Milk (million tons)	97.6	97.9
Eggs (billion)	76.0	76.5
Wool (thousand tons)	463.0	465.0

Livestock numbers as of Jan. 1, 1985 (million head):

	Preliminary	Revised
Cattle	120.9	121.0
of which cows	43.5	43.6
Hogs	77.8	77.9
Sheep and goats	148.9	149.2
of which sheep	142.7	142.9

Poultry numbers as of Jan. 1, 1985, were 1.143 billion. No preliminary figure had been made available.

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The preliminary figure for average milk yield per cow in 1984 was revised from 2,289 kilograms to 2,293.

Average procurement weights (in terms of live weight) for cattle in 1984 were 355 kilograms, up from 350 in 1983; for hogs - 105 kilograms, up from 104 in 1983; but for sheep and goats the 1984 figure of 35 kilograms was down from 36 kilograms in 1983.

#### NUTS

WORLD almond production during the 1985 season is currently forecast at 341,900 tons, 3 percent below the 1984 level. Smaller crops are expected in the United States and Portugal in line with the normal alternate bearing pattern. In Turkey, early blossoming followed by freezing temperatures has resulted in extensive crop damage. Production for 1985 is estimated at only 7,000 tons, the smallest harvest since 1973. In contrast, weather was a positive factor in several countries and responsible for record crops in Greece and Morocco. Prospects also appear favorable for a near-record harvest in Spain.

#### Almonds: Commercial Production in Selected Countries (1,000 tons-Shelled basis)

Country	1983	1984	1985 1/
Greece	14.3	14.0	15.1
Italy	29.0	13.0	16.0
Morocco	4.6	6.0	6.3
Portugal	3.5	4.0	3.0
Spain	32.0	40.0	70.0
Turkey	13.3	10.0	7.0
United States	109.8	266.3	224.5
Total	206.5	353.3	341.9

1/ Preliminary.

\*\*\*\*\*

After last year's disappointing outturn of 380,200 tons, WORLD filbert production in 1985 is expected to rebound 21 percent to 461,800 tons (in-shell). Growing conditions were favorable in the United States, Spain and Italy. Growers in Italy and the United States are expected to harvest record crops of 130,000 and 21,800 tons, respectively. This will help mitigate the impact on world supply caused by a second consecutive shortfall in Turkish production.

#### Filberts: Commercial Production in Selected Countries (1,000 tons-In-shell basis)

Country	1983	1984	1985 1/
Italy	120.0	55.0	130.0
Spain	31.0	13.0	30.0
Turkey	400.0	300.0	280.0
United States	7.4	12.2	21.8
Total	558.4	380.2	461.8

1/ Preliminary.

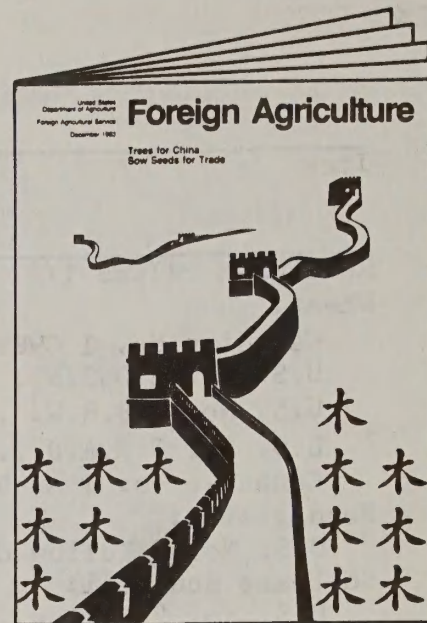
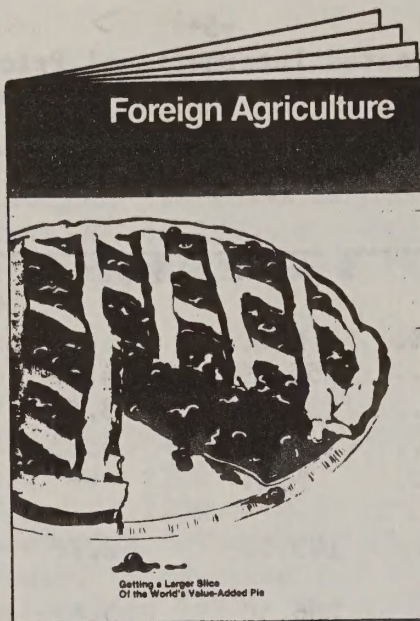
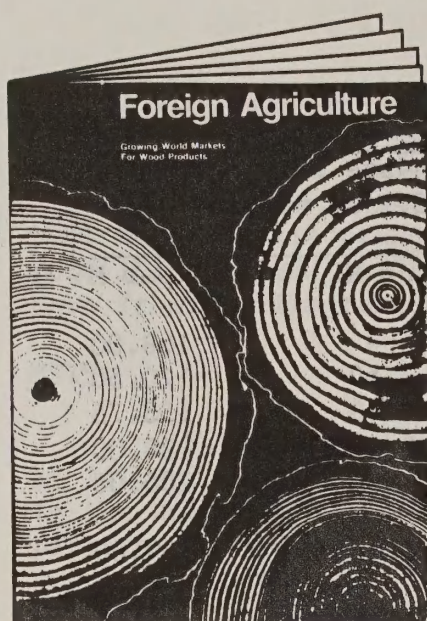


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Selected International Prices

Item	: Sept. 17, 1985	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWRS-13.5%.	N.Q.	--	188.00
U.S. No. 2 DNS/NS: 14%....	155.00	4.22	170.50
U.S. No. 2 S.R.W. ....	131.00	3.57	153.75
U.S. No. 3 H.A.D.....	160.00	4.35	188.00
Canadian No. 1 A: Durum...	N.Q.	--	205.00
Feed grains:			
U.S. No. 3 Yellow Corn....	109.50	2.78	139.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	206.50	5.62	238.00
Brazil 47/48% SoyaPellets	169.50	--	173.00
U.S. 44% Soybean Meal....	161.00	--	165.00
U.S. FARM PRICES 3/			
Wheat.....	108.38	2.95	124.55
Barley.....	60.17	1.31	82.21
Corn.....	91.34	2.32	117.32
Sorghum.....	71.65	3.25 2/	100.31
Broilers 7/.....	1153.23	--	1168.41
EC IMPORT LEVIES			
Wheat 5/.....	80.15	2.18	48.25
Barley.....	82.05	1.79	47.60
Corn.....	73.15	1.86	36.10
Sorghum.....	91.60	2.33	59.05
Broilers 4/ 6/ 8/.....	173.00	--	162.00
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	141.45	3.85	137.70
Bread wheat (min. quality)7/	151.05	4.11	147.15
Barley and all			
other feed grains.....	141.45	--	137.70
Broilers 4/ 6/.....	1120.00	--	1085.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat .....	N.A.	--	2.20
Barley.....	N.A.	--	N.A.
Broilers 4/ 6/ 8/.....	100.00	--	95.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. N.A.=None authorized. N.Q.=Not quoted. Note: Basis October delivery.





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